

TERMS USED IN FINANCIAL STATISTICAL REPORTS (FSRs)

Total Member Months - Number of members enrolled in each month. YTD is the sum of the individual month's membership.

Revenues:

- **Premiums** – Capitation payments paid to MCOs (Managed Care Organization) by HHSC.
- **Delivery Supplemental Payments** – A one-time per pregnancy supplemental payment made by HHSC to STAR, CHIP MCOs.
- **Pharmacy Premiums** - Pharmacy capitation payments paid to MCOs by HHSC
- **Investment Income** – All interest and dividend income resulting from investment of funds received.
- **Other Revenue** – Any and all income generated from other sources.
- **Premium Taxes** – Premium taxes incurred by MCOs for premiums applicable to the reported period.
- **Maintenance Taxes** – Maintenance taxes incurred by MCOs for premiums applicable to the reported period.

Medical Expenses:

- **Fee for Service** – Non-capitated payments for services rendered to the members.
- **Capitated Services** – Includes PCPs and Hospitals capitation payments which are amounts paid to providers that do not pay claims to other providers from the capitation payments and also the capitation paid to subcontractors in which the capitation is the funding source for paying claims for healthcare services performed in each Texas service area.
- **Net Reinsurance Cost** – Total reinsurance premiums paid by the MCO net of reinsurance recoveries.
- **IBNR Accrual** – Incurred But Not Reported (IBNR) accrual medical expenses are an estimate of the expected healthcare expenses incurred, but not paid, based on claims lag schedules and completion factors, as well as any counts of services rendered but not billed, e.g., pre-authorized hospital days.

Administrative Expenses – includes those expenses that are directly or indirectly in support of the Texas Medicaid/CHIP operations of the MCO. Administrative expenses include Salaries, Wages and other benefits, Payroll taxes, Utilities and Maintenance, Auditing and other consulting expenses etc.

Performance Assessment – Amount of at-risk premium recouped by HHSC for failure to meet the performance expectation for which the MCO is at risk.

Quality Challenge Award – Amount awarded to the MCO for superior clinical quality, service delivery, access to care or member satisfaction.

Liquidated Damages - Amount assessed by HHSC as penalty for non-compliance with contract requirements.

HHSC FINANCIAL STATISTICAL REPORT (FSR)

MCO name:	Superior / Bankers / Centene	Program:	STAR
State Fiscal Year:	2016	Service Area:	M-RSA Central
Submission Date:	6/30/2016	Rptg Period End Date:	5/31/2016
Submission Type:	Quarterly		

Part 1: **Summary Income Statement**

HHSC Managed Care contract costs	Incurred Months:	Sep-15	Oct-15	Nov-15	Dec-15	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	YTD
1 Member Months		64,760	65,293	65,650	65,775	65,952	65,944	65,692	65,088	64,830	0	0	0	588,984
2 Average Monthly Member Months														65,443
Revenues:														
3 Medical Premiums		10,393,483	10,469,525	10,479,747	10,529,439	10,567,768	10,606,331	10,606,826	10,506,758	10,427,033	0	0	0	94,586,910
4 Delivery Supplemental Payments		995,569	886,299	846,840	1,056,274	868,087	922,722	1,044,132	871,122	901,475	0	0	0	8,392,520
5 Pharmacy Premiums		2,178,893	2,201,330	2,215,925	2,216,490	2,225,755	2,226,553	2,212,418	2,188,724	2,183,437	0	0	0	19,849,525
6 Investment Income		0	0	0	0	0	0	0	0	0	0	0	0	0
7 Health Insurance Providers Fee Reimbursement		4,633,402												4,633,402
8 Other Revenue		0	0	0	0	0	0	0	0	0	0	0	0	0
9 Total Gross Revenues		18,201,347	13,557,154	13,542,512	13,802,203	13,661,610	13,755,606	13,863,376	13,566,604	13,511,945	0	0	0	127,462,357
10 Health Insurance Providers Fee & Related Costs		4,552,317												4,552,317
11 Health Insurance Providers Fee (NAIP)		8,610	8,681	8,729	8,745	8,769	8,768	8,734	8,654	8,620				78,311
12 Premium Taxes		318,524	237,250	236,994	241,539	239,078	240,723	242,609	237,416	236,459				2,230,591
13 Maintenance Taxes		5,427	5,423	5,417	5,521	5,465	5,502	5,545	5,427	5,405				49,132
14 Net Revenues		13,316,469	13,305,800	13,291,372	13,546,398	13,408,298	13,500,613	13,606,487	13,315,108	13,261,461	0	0	0	120,552,006
Medical Expenses:														
15 Fee-For-Service		8,499,498	8,830,649	8,579,233	9,007,567	8,957,105	9,149,947	9,422,970	7,505,337	3,903,039	0	0	0	73,855,345
16 Capitated Services		577,043	581,792	584,973	586,087	551,272	551,205	549,098	544,050	541,893	0	0	0	5,067,412
17 Patient Centered Medical Home Services		0	0	0	0	0	0	0	0	0	0	0	0	0
18 Net Reinsurance cost		5,828	5,876	5,909	5,920	2,638	2,638	2,628	2,604	2,593	0	0	0	36,633
19 IBNR Accrual - Medical		226,186	276,895	172,991	281,116	187,510	597,134	859,229	2,061,577	5,962,834	0	0	0	10,625,472
20 Total Medical Expenses		9,308,555	9,695,212	9,343,106	9,880,690	9,698,525	10,300,924	10,833,925	10,113,567	10,410,359	0	0	0	89,584,863
21 Prescription Expenses (excluding PBM Admin)		2,111,584	2,064,037	1,962,933	2,037,947	2,075,810	2,146,018	2,094,601	2,165,612	2,064,250	0	0	0	18,722,791
22 Total Medical and Prescription Expenses		11,420,139	11,759,249	11,306,039	11,918,637	11,774,335	12,446,942	12,928,526	12,279,179	12,474,609	0	0	0	108,307,654
23 Administrative Expenses		1,058,512	950,261	929,113	1,011,629	949,625	879,309	974,065	958,286	978,387				8,689,187
24 Total Expenses		12,478,651	12,709,510	12,235,152	12,930,266	12,723,960	13,326,251	13,902,590	13,237,466	13,452,996	0	0	0	116,996,842
25 Net Income Before Taxes		837,818	596,290	1,056,220	616,132	684,338	174,362	(296,103)	77,642	(191,535)	0	0	0	3,555,164
26 % Medical Exp to Net Revenues		69.9%	72.9%	70.3%	72.9%	72.3%	76.3%	79.6%	76.0%	78.5%	0.0%	0.0%	0.0%	74.3%
27 % Prescription Exp to Net Revenues		15.9%	15.5%	14.8%	15.0%	15.5%	15.9%	15.4%	16.3%	15.6%	0.0%	0.0%	0.0%	15.5%
28 % Total Medical and Prescription to Net Rev. (MLR)		85.8%	88.4%	85.1%	88.0%	87.8%	92.2%	95.0%	92.2%	94.1%	0.0%	0.0%	0.0%	89.8%
29 % Admin Exp to Net Revenues		7.9%	7.1%	7.0%	7.5%	7.1%	6.5%	7.2%	7.2%	7.4%	0.0%	0.0%	0.0%	7.2%
30 % Net Income to Net Revenues		6.3%	4.5%	7.9%	4.5%	5.1%	1.3%	-2.2%	0.6%	-1.4%	0.0%	0.0%	0.0%	2.9%
31 % Adj. Admin to Net Revenues (excludes taxes and Prescription pass through)		9.5%	8.6%	8.4%	8.9%	8.5%	7.8%	8.5%	8.6%	8.8%	0.0%	0.0%	0.0%	8.6%
Post-income items:														
32 Performance Assessment														0

Note: Except where stated otherwise, reporting is on an incurred basis (that is, reported in the period corresponding to dates of service, rather than to date paid). All prior quarters' data must be updated to reflect the most recent revised IBNR estimates.